



THE POWER OF  
**LOCAL**

2023  
Prospera Foundation  
Report



# Report from the Board of Directors

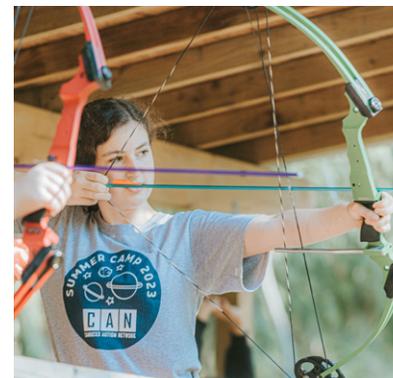
**In 2023, the Prospera Foundation – one of Canada’s largest credit union foundations – remained committed to supporting local charities that empower and strengthen our communities. We believe in the power of local and the impact that it has across our local communities.**

Established in 1992, the Foundation has more than \$9.3 million in assets and has contributed more than \$6.3 million in charitable grants to organizations across Prospera’s trade areas, spanning from Metro Vancouver to the Fraser Valley and extending into the Okanagan. The Foundation continued to support programs and organizations aligned with Prospera’s three core giving areas: local businesses, preventative health and education.

With the demand for programs and family services on the rise throughout our communities, the Prospera Foundation stepped up to provide crucial support. In 2023, more than \$500,000 was distributed in grants to 8 registered charitable organizations, enabling them to continue offering invaluable resources to families, individuals and businesses in need. This included a diverse range of local non-profits with programs that provide vital assistance to families and youth encountering financial barriers. Funding was also allocated to charitable organizations committed to enhancing their business infrastructure, thereby expanding their reach and impact within our local communities.

Above and beyond the Foundation, more than \$550,000 was invested back into our local communities through the credit union’s corporate community donations and sponsorships programs. This included Prospera Education Grants, Level Up Local Good business grants in partnership with Accelerate Okanagan and the Local Good grants program driven by our employees. Together with the Foundation, Prospera Credit Union demonstrated its unwavering support to our communities by committing more than \$1 million to charitable organizations and community partners in 2023.

The commitment to our communities goes far beyond financial support. Over the past year, Prospera employees participated in more than 100 community events and initiatives, dedicating more than 1,000 volunteer hours. This collective effort reinforces the Foundation’s enduring mission to build vibrant, healthy communities, nurture thriving, local enterprises and empower individuals with financial strength, proving that power of local has no bounds.



**\$6.3**  
million  
in charitable grants



# 2023 Grant Partners

The Foundation supports charitable projects and programs in the areas of:



### Local Business

We contribute to the growth of the local business ecosystem in our communities.



### Health

We support charities offering preventative wellness services.



### Education

We provide our community with the foundations to reach their goals.



### Archway Community Services

Enterprise Resource Planning System



### Canucks Autism Network

Youth and Adult program



### HeadHeartHand Foundation

Youth Incubator program



### JA British Columbia

World of Choices program (WOC)



### KCR Community Resources

Volunteers4All program



### Mamas for Mamas, Okanagan

Mental Health and Wellness program



### Special Olympics BC

Sports & Health program



### University of the Fraser Valley

The Student Wellness Centre



# 2023 Community Partners

In 2023, Prospera harnessed the **power of local**, going beyond financial support, our strength lies in the ability to connect local charities with resources, expertise and networks that go beyond traditional grants. We invite you to explore the incredible stories, achievements and successes of these charities in this year's report.



## Archway Community Services

### WEBSITE

archway.ca

### REGION

Fraser Valley

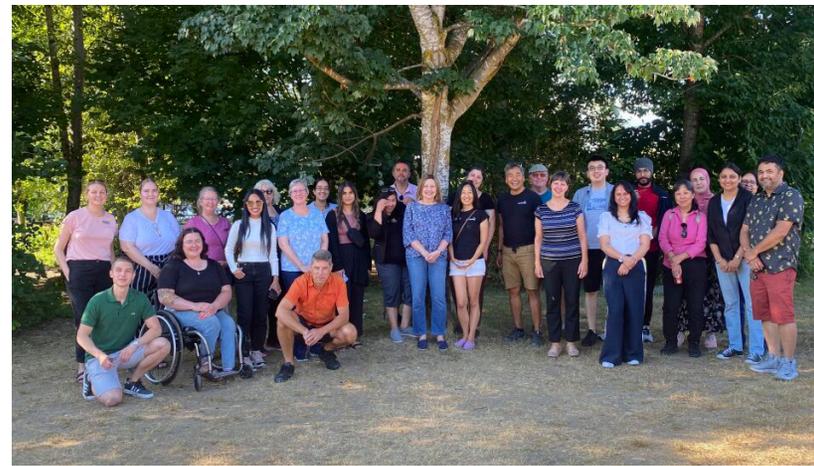
### AREA OF SUPPORT

Enterprise resource planning system

For 55 years, Archway Community Services has been a cornerstone of support in Abbotsford and the surrounding area. Thanks to the Prospera Foundation, Archway has made strategic investments in their business infrastructure, leading to improved efficiency in various administrative functions and a streamlined program delivery process, facilitated by a new enterprise resource planning system. The previous system distributed financial information with a one-month delay, resulting in stagnant data. These upgrades have not only freed up over 350 hours for their finance team, but also empowered 68 program supervisors with real-time access to financial data, enhancing their ability to make informed budgetary decisions to better support their programs.

### Favourite 2023 Memory

The Archway Charity Golf Tournament reached a significant milestone by raising more than \$101,500 thanks to the invaluable support of community members, partners and sponsors like Prospera.



**Archway makes a real difference by walking alongside people on their journeys - whether that's helping families and individuals improve their mental health or providing access to food. Together, we build bridges and break barriers to empower individuals.**

**Rod Santiago**  
Central Executive Officer  
Archway Community Services





## Canuck Autism Network

### WEBSITE

canucksautism.ca

### AREA OF SUPPORT

Youth and Adult program

### REGION

Metro Vancouver

In 2023, the Canucks Autism Network (CAN) continued its mission to empower autistic individuals across our local communities. Operating multiple locations including Vancouver, Fraser Valley, Victoria, Nanaimo, Kamloops, Kelowna and virtually, CAN's reach extends far and wide. With 36 different programs offered throughout the year, CAN specifically created more than 1,100 spots for participants aged 13-plus, recognizing the increased need for youth. They also offer mental wellness programs and workshops that provided crucial support, offering 60 program spaces and serving 45 individuals through weekly sessions.

### Favourite 2023 Memory

During overnight camp, a participant surprised the Canuck Autism Network (CAN) team by taking the lead in campfire songs. Since then, they have embraced a role as a volunteer in CAN's weekly programs for younger participants, all while maintaining their active involvement in their own programs.



We have enjoyed knowing that our nonverbal 13-year-old Kye has always had a one-to-one person when he goes to CAN events. This gives me the assurance that he is safe and learning valuable social and life skills through a staff volunteer that is young, keen and motivated to make a difference in his life! CAN is the most important and invaluable resource we have had on our autism journey!

Canuck Autism Network parent





## Dress for Success Kelowna\*

### WEBSITE

dfskelowna.org

### REGION

Okanagan

### AREA OF SUPPORT

Professional Women's Group Program

Dress for Success Kelowna has made significant strides in empowering women to achieve economic independence. With funding from the Prospera Foundation, the Professional Women's Group successfully hosted 36 workshops and conducted four 16-week cohorts, facilitating invaluable mentorship experiences with 28 mentor matches. Dress for Success Kelowna also added three new client ambassadors who share their positive program experiences and experienced a 12 per cent increase in volunteer numbers. These accomplishments reflect their shared commitment to supporting women's empowerment and success.

\*Please note grant funding for this partner was provided in October 2022.

We're so fortunate to have received funds from the Prospera Foundation. Knowing that our programming and client needs would be supported allowed us to utilize some of our fundraising dollars in other ways - ways that are just as important to sustaining our organization, such as investing in a location and staff for our operations that will enable us to continue to grow in the ways that we need.

Lori Stevenson, Executive Director  
Dress for Success Kelowna





## HeadHeartHand Foundation

### WEBSITE

3hfoundation.ca

### AREA OF SUPPORT

Youth Incubator program

### REGION

Metro Vancouver

The HeadHeartHand (3H) Foundation is dedicated to delivering holistic education in our communities, with a focus on programs such as black youth entrepreneurship, youth mentorship, holistic youth empowerment and volunteerism. In 2023, 3H achieved significant milestones, including hosting 15 empowering sessions on financial literacy, entrepreneurship and leadership, impacting more than 420 community members through the Youth Incubator Program, and connecting 15 mentors with 32 mentees in the Youth Mentorship Program. Additionally, 3H spearheaded a mental health awareness campaign and workshops to support the well-being of teenagers and youth, while championing inclusivity through various multicultural events, further solidifying their commitment to fostering a well-rounded and inclusive community.

### Favourite 2023 Memory

After attending a financial literacy program hosted by the HeadHeartHand (3H) Foundation, one participant reported that they immediately started saving for their first home using a First Home Savings Account and were able to purchase their first home in November!



As a youth-focused organization with big dreams for our community, we are excited about our partnership with Prospera and the various impacts our programs are having on youth empowerment, youth mental health, support system for newcomers, building relationship and enhancing community collaborations.

**Adebola Ige**, Founder and Director  
HeadHeartHand (3H) Foundation





# JA British Columbia

## WEBSITE

jabc.ca

## AREA OF SUPPORT

World of Choices program

## REGION

Across BC

In the past school year, JA British Columbia (JABC) made a remarkable impact, delivering a total of 2,793 programs and reaching more than 69,000 students, including engagement with 31 Indigenous communities. Through their World of Choices program, over 23,000 students from 902 classes had the opportunity to connect with industry experts who inspired them to explore their interests and ambitions to shape and refine their career goals. With additional support from Prospera, JABC successfully delivered 143 Economics for Success programs, providing essential financial knowledge to benefit 3,600 students.

## Favourite 2023 Memory

Prospera and JA British Columbia partnered together to make their official debut on TikTok, aiming to empower young minds with quick and valuable financial insights.



**Outstanding presentation this morning on World of Choices. I am thrilled that we have the chance to connect with professionals from all over Canada and endeavour our efforts to enhance the curriculum and prepare the young future entrepreneurs!**

**BC Educator speaking about JA British Columbia's World of Choices Program**





## KCR Community Resources

### WEBSITE

kcr.ca

### REGION

Kelowna

### AREA OF SUPPORT

Volunteer4All program

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KCR Community Resources is a multi-service agency committed to empowering Okanagan communities. Thanks to the Foundation's support, KCR has sustained its highly successful Volunteer4All program. This program assists individuals from diverse backgrounds in finding meaningful employment, gaining access to essential training and valuable resources. The program has successfully matched more than 100 individuals with roles that not only expanded their skillsets, but also provided them with the opportunity to nurture important connections and instill their lives with a strong sense of purpose. With their Volunteer Centre, 183 local and regional organizations were connected to more than 680 volunteers.

### Favourite 2023 Memory

Seeing the power of connection make a genuine difference in people's lives has been one of the most rewarding outcomes of the Volunteer4All program.



**We went to different organizations and asked for help to find a job for Zara – even a volunteer job could be great for her. But unfortunately, they declined to help because of her language limitations. It took us several months and we were about to give up then, I suddenly found out that you are doing Volunteer4All volunteering at KCR. You have been our angel and saved us from disappointment. You found one of the best volunteer jobs for her.**

**Katy**

Volunteers4All program parent





## Mamas For Mamas

### WEBSITE

mamasformamas.org

### REGION

Kelowna

### AREA OF SUPPORT

Mental Health and Wellness program

Mamas for Mamas is dedicated to bridging gaps and offering resources and education to mamas, papas and caregivers who may face barriers in accessing the support they need for a happy and fulfilling life. With support from the Prospera Foundation, Mamas for Mamas organized 14 wellness groups, attracting nearly 700 participants who attended 1,185 sessions, covering topics ranging from anxiety and depression to financial wellness. By alleviating the cost of sessions and offering long-term care, these groups educated clients about various aspects of life that contribute to their mental health and well-being.

### Favourite 2023 Memory

The Mamas for Mamas team was able to serve a significant number of people affected by the Okanagan wildfires and provide mental health support as needed.



**I cannot thank the Mamas for Mamas staff enough. I would not be where I am today if I did not receive the support I did. The counselling I had allowed me to move past my trauma and feel like me again.**

**Mamas for Mamas client**





# Okanagan College Foundation\*

## WEBSITE

okanagan.bc.ca

## REGION

Okanagan

## AREA OF SUPPORT

Step into Steel Toes Employment Ready program (SISTERS)

Okanagan College Foundation is committed to raising funds that unlock the transformative power of education, striving to create the best possible outcomes for students at Okanagan College. With the support from Prospera, they took a significant step by launching the Step into Steel Toes Employment Ready program (SISTERS) Carpenter Foundation program, which not only facilitated skills training and employment assistance for 20 off-reserve Indigenous women in the Central Okanagan region but also played a pivotal role in awarding more than 790 scholarships to 478 students. The Prospera Foundation's support extends to covering certification costs, providing essential tools and ensuring access to protective equipment.

\*Please note grant funding for this partner was provided in October 2022.



**I enrolled in the SISTERS program to develop the skills I needed, including employment readiness and how to use all the tools. I love that working with wood connects me to my family. My dad works in construction and my papa is a log home builder and an amazing artist. Now that I've graduated and have a new set of skills, I can find a job that pays a wage I can support my family on. There are plenty of job opportunities for me now!**

**Kylamay Whitebear,**  
Okanagan College student and  
SISTERS bursary recipient





# Special Olympics BC

### WEBSITE

specialolympics.ca

### REGION

All regions

### AREA OF SUPPORT

Sports & Health program

Special Olympics BC (SOBC) continued their journey of rebuilding many of their sport and health programs, resulting in a positive impact on 2,900 athletes, engagement of 1,567 volunteers and the conduct of 318 SOBC health athletes screenings, which led to local athletes uncovering health issues and receiving the care they need. As a longtime partner, Prospera also proudly served as the Presenting Sponsor for the 2023 Winter Games in Kamloops, where more than 500 SOBC athletes, 100 coaches and mission staff, and 700 volunteers came together to celebrate the return of SOBC Games and the spirit of eight winter sports.

### Favourite 2023 Memory

The 2023 Special Olympics BC Winter Games saw more than 500 athletes with intellectual disabilities come together to compete with pride, showcase their abilities and be celebrated for their incredible accomplishments.



**There's no doubt Special Olympics has given my son Cory a lot of confidence and abilities; there's so much beyond what he has achieved on skis. It's more than the sport, it's belonging and being part of the community - that confidence, that social ability, the friends. ... At Special Olympics, it's 100 per cent inclusion.**

**Michael Duhaime**  
SOBC parent and coach





# University of the Fraser Valley

## WEBSITE

ufv.ca

## REGION

Fraser Valley

## AREA OF SUPPORT

The Student Wellness Centre

The University of the Fraser Valley (UFV)'s Student Wellness Centre (SWC) is a student-led health and wellness initiative that provides a range of services, including one-on-one support sessions, wellness workshops, mental health resources, financial well-being and diversity awareness. Over the past year, the SWC team expanded to include 15 student peer volunteers and four student paid positions, fostering peer-to-peer connections that now benefit 50 to 70 students per month. The reach of the SWC continued to grow as they also extended their opening hours and hosted 15 workshops and four service fairs.

## Favourite 2023 Memory

Witnessing the growth of the Student Wellness team from a small team to many peer volunteers, paid student staff and a leadership team with a unified vision of promoting wellness on campus.

As leaders in student services, we recognize the immense power of peer programming within our university. It's more than just teamwork; it's a culture of mentorship, fostering student growth and paving ways to help their success.

Sanjit Bhalru

Manager Student Wellness  
University of the Fraser Valley





## About the Prospera Foundation

We're guided by a dedicated Board of Directors and senior executives from Prospera Credit Union and are a registered charity by the Canada Revenue Agency. Originally incorporated in 1992 as The Westminster Savings Foundation under the BC Society Act, and later the BC Societies Act, we proudly adopted the legal name the Prospera Foundation in 2021 to reflect the newest chapter in our legacy of community giving and involvement.

Since 1992, we take immense pride in our contributions, having provided over \$6.3 million in financial grants to local organizations. As of December 31, 2023, our assets have grown to surpass \$9.3 million. The Foundation's capital is exclusively sourced from Prospera Credit Union, with income generated from these funds actively supporting grants to various charitable organizations within our communities each year.

We are honored to share that Prospera Credit Union has earned recognition as a registered Caring Company by Imagine Canada, underscoring our commitment to making a meaningful and lasting impact in the communities we serve.



For more information, visit [prospera.ca/foundation](https://prospera.ca/foundation)

# Financial Statements of Prospera Foundation

Year ended December 31, 2023

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Prospera Foundation

### Opinion

We have audited the financial statements of Prospera Foundation (the Entity), which comprise:

- the statement of financial position as at December 31, 2023
- the statement of operations and fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Entity as at December 31, 2023 and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards from not-for-profit organizations.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Financial Statements" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements

or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Report on Other Legal and Regulatory Requirements**

As required by the Societies Act (British Columbia), we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.



Chartered Professional Accountants

Vancouver, Canada

February 27, 2024

## Statement of financial position

Year ended December 31, 2023, with comparative information for 2022

	Note	2023	2022
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		\$ 303,616	\$ 322,475
Interest receivable		58,426	58,264
Dividends receivable		22,275	22,820
Short-term investments	4	-	10,269
		384,317	413,828
<b>Investments</b>			
Term deposits and fixed income investments	4	4,613,189	4,632,119
Preferred shares	4	4,352,407	4,101,300
		8,965,596	8,733,419
		9,349,913	9,147,247
<b>Liabilities and Fund Balances</b>			
<b>Fund balances</b>			
Unrestricted fund		\$ (652,337)	\$ (855,003)
Restricted fund		10,002,250	10,002,250
		\$ 9,349,913	\$ 9,147,247

The accompanying notes form an integral part of these financial statements.

Approved on behalf of the board:

**Art Van Pelt**  
Chair

**TJ Schmaltz**  
President

## Statement of operations and fund balances

Year ended December 31, 2023, with comparative information for 2022

	Note	2023			2022		
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
<b>Revenues</b>							
Interest		\$ 194,139	\$ -	\$ 194,139	\$ 184,476	\$ -	\$ 184,476
Dividends		268,948	-	268,948	253,490	-	253,490
Unrealized gains (losses) on investments		251,107	-	251,107	(1,536,491)	-	(1,536,491)
<b>Expenditures</b>							
Community grants	5	(511,528)	-	(511,528)	(554,105)	-	(554,105)
Surplus (deficiency) of revenues over expenditures		202,666	-	202,666	(1,652,630)	-	(1,652,630)
Fund balance, beginning of year		(855,003)	10,002,250	9,147,247	797,627	10,002,250	10,799,877
<b>Fund balance, end of year</b>		<b>\$ (652,337)</b>	<b>\$ 10,002,250</b>	<b>\$ 9,349,913</b>	<b>\$ (855,003)</b>	<b>\$ 10,002,250</b>	<b>\$ 9,147,247</b>

The accompanying notes form an integral part of these financial statements.

## Statement of cash flows

Year ended December 31, 2023, with comparative information for 2022

	2022	2021
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Surplus (deficiency) of revenues over expenditures	\$ 202,666	\$ (1,652,630)
Items not affecting cash:		
Unrealized (gains) losses on investments	(251,107)	1,536,491
Changes in non-cash operating items:		
Premium amortization on fixed income investments	18,930	18,930
Interest receivable	(162)	(3,357)
Dividends receivable	545	(74)
Net cash from (used in) operating activities	(29,128)	(100,640)
<b>Investing activities</b>		
Sale of term deposits and fixed income investments	10,269	83,134
Net cash (used in) provided by investing activities	10,269	83,134
Increase (decrease) in cash and cash equivalents	(18,859)	(17,506)
Cash and cash equivalents, beginning of year	322,475	339,981
Cash and cash equivalents, end of year	\$ 303,616	\$ 322,475

The accompanying notes form an integral part of these financial statements.

# Notes to Financial Statements

Year ended December 31, 2022, with comparative information for 2021

## 1. Purpose of the foundation

Prospera Foundation (the foundation) was incorporated under the former *British Columbia Society Act* in December 1992 and transitioned to the new *Societies Act (British Columbia)* in 2017, to create a permanent source of funds to support various organizations and activities that work to improve the quality of life within the general trade area of Prospera Credit Union (the credit union). The foundation changed its name to Prospera Foundation effective June 29, 2021. The foundation was formerly known as Westminster Savings Foundation.

The foundation is registered as a tax-exempt charity with Canada Revenue Agency under Paragraph 149(1)(f) of the *Income Tax Act*.

## 2. Significant accounting policies:

These financial statements are prepared in accordance with Canadian Accounting Standards for Not-For-Profit Organizations in Part III of the CPA Canada Handbook.

### a. Fund accounting

The foundation follows the restricted fund method of accounting for contributions.

- (i) **Restricted fund:** All funds to the foundation are donated by the credit union and are deemed to be permanent at the time of the donation. These funds are restricted for a minimum of a ten-year period, after which funds may be transferred to the unrestricted fund with Board of Directors ("board") approval. The board exercises discretionary control over the investment of these restricted funds according to the foundation's Statement of Investment Policy as approved by the board.
- (ii) **Unrestricted fund:** Investment income earned is reported in the unrestricted fund. Unrestricted funds are available for the foundation's support of community organizations through community grants. The board may, under certain conditions, transfer funds from the restricted fund to the unrestricted fund as per note 2(a)(i).

### b. Use of estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

### c. Financial instruments:

The foundation's financial instruments consist of cash and cash equivalents, interest and dividends receivable and investments.

#### (i) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and term deposits, which are highly liquid with original maturities of less than three months.

#### (ii) Investments:

**Short-term investments:** Short-term investments include term deposits with terms to maturity between three months and less than one year.

**Long-term investments:** Long-term investments include term deposits and fixed income investments with terms to maturity greater than one year and preferred shares with no specific maturity.

All financial instruments are initially measured at fair value and subsequently measured as follows:

Assets/liabilities	Measurement
Cash	Amortized cost
Preferred shares	Fair value
Term deposits	Amortized cost
Fixed income investments	Amortized cost
Interest receivable	Amortized cost
Dividends receivable	Amortized cost

Financial instruments subsequently measured at amortized cost are adjusted by transaction costs and financing costs incurred on acquisition, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the foundation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the foundation expects to realize by exercising its right to any collateral.

If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

Realized and unrealized gains and losses for financial assets carried at fair value are classified as realized and unrealized gains and losses in the statement of operations.

#### d. Revenue recognition

Contributions to the restricted or unrestricted fund are recognized as revenue when they are received or receivable, provided the amounts are measurable and collection is reasonably assured.

Interest on investments is recorded on an accrual basis. Dividends that have been declared are recorded as income on the date of record set for the dividend. Fair value changes in investments are recognized separately and comprise realized and unrealized gains and losses on investments.

All investment and interest income earned on funds is recognized as revenue in the unrestricted fund.

#### e. Grants

Grants are recorded when paid by the foundation.

#### f. Donated services

The foundation benefits from donated services in the form of volunteer time

for various committees and administration from the credit union. Due to the difficulty of determining their fair value, donated services are not recognized in these financial statements.

#### g. Related party transactions

Related party transactions occur in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Details of related party transactions are disclosed in note 6.

### 3. Operations

The foundation is managed by a board that consists of members of the credit union's Board of Directors as well as senior managers of the credit union. The foundation intends to use the income generated from investments to provide support to community organizations. The board of the foundation has determined that grants will be allocated in the following categories: local business, preventative health and education.

### 4. Investments

The foundation has investments with the credit union and CIBC Wood Gundy. These include short-term investments, term deposits and fixed income investments, and preferred shares. The following are the weighted-average interest rates and maturity terms:

Maturity	Average rate	2023	2022
Short-term investments			
2023	-	-	10,269
Term deposits and fixed income investments			
2026	4.50%	200,000	200,000
2027	3.88%	1,392,286	1,394,786
2031	4.58%	3,020,903	3,037,333
		4,613,189	4,632,119
Preferred shares <sup>1</sup>	4.81%	4,352,407	4,101,300
		\$ 8,965,596	\$ 8,743,688

<sup>1</sup>Preferred shares do not have a maturity date.

## 5. Community grants

The following community grants were made during the year ended December 31:

	2023	2022
University of the Fraser Valley	\$ 123,000	\$ 77,000
Junior Achievement of BC	75,000	75,000
HeadHeartHand Foundation	70,000	100,000
Archway Community Service	70,000	70,000
Kelowna Community Resources	58,528	37,445
Special Olympics British Columbia Society	50,000	50,000
Mamas for Mamas	35,000	35,000
Canucks Autism Network Society	30,000	30,000
Dress for Success Vancouver	-	60,000
Okanagan College Foundation	-	19,660
	<u>\$ 511,528</u>	<u>\$ 554,105</u>

## 6. Related parties

The credit union is related to the foundation by virtue of its representation on the foundation's board. The credit union currently provides most personnel, facilities and administrative services necessary for the operation of the foundation.

Related party transactions as at December 31, 2023 and for the year then ended not separately disclosed in the financial statements include the following:

- The credit union maintains deposits on behalf of the foundation of \$ 201,533 (2022 - \$212,840).
- The credit union paid interest on these deposits of \$10,416 (2022 - \$4,718).

## 7. Financial risks

The foundation manages its investment portfolio to earn investment income and invests according to a board approved Statement of Investment Policy. Investments in financial institutions and corporate institutions are highly liquid

and can be disposed of to settle commitments. Term deposits held are accessible when the term deposits mature. The investments are detailed in note 4.

Market risk is the risk that the fair value of an investment decreases due to changes in market conditions. The foundation is exposed to market risk on its investments in corporate bonds and preferred shares. This risk is mitigated by ensuring asset allocation targets are met and that investments are in compliance with all the investment criteria prescribed in the foundation's Investment Policy. The objective of market risk management is to monitor investments to identify market value fluctuations which indicate an investment is impaired.

Liquidity risk is the risk that the foundation will not be able to meet its financial obligations as they fall due. Since all the foundation's assets are held in investments that can be readily liquidated, the foundation's liquidity risk is considered minimal.

Credit risk is the risk of financial loss to the foundation when the credit quality of an investment deteriorates and the issuer of the financial instrument is unable to meet its contractual obligations. The foundation holds investments in corporate bonds, preferred shares and deposits, which potentially expose it to credit risk. The foundation does not consider there to be significant credit risk as its investments are held in large Canadian public entities with acceptable credit ratings. Credit risk is also considered low for deposit investments held with the credit union.

Interest rate risk is the risk that the foundation's investments will change in fair value due to future fluctuations in market interest rates. The foundation has an exposure to interest rate risk as a portion of its revenue is derived from interest on its fixed income investments. Management frequently reviews the interest rates to mitigate risk to the foundation.

The foundation is not involved in any hedging relationships and does not hold or use any derivative financial instruments for trading purposes.

## Prospera Foundation Board of Directors

Art Van Pelt, *Chair*

Bukkie Adewuyi, *Secretary-Treasurer*<sup>1</sup>

Colin MacKinnon, *Director*

Ingrid Leong, *Vice-Chair*

Kirsten McElgunn, *Director*

Stacey Crawford, *Director*

T.J. Schmaltz, *President*

<sup>1</sup>Ceased November 27, 2023



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